Message Text

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R 211954Z MAY 78 FM SECSTATE WASHDC TO AMEMBASSY LONDON AMEMBASSY PARIS USMISSION GENEVA

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USOECD

E.O. 11652:N/A

TAGS: ETRD, OECD, MTN, UK

SUBJECT:U.K. TELEVISION SCREEN TIME QUOTAS.

1. VIACOM INTERNATIONAL INC., AN AMERICAN COMPANY ENGAGED IN THE DISTRIBUTION OF AMERICAN TELEVISION PROGRAMS IN THE UNITED KINGDOM, HAS APPROACHED VARIOUS AGENCIES (STR, STATE, TREASURY, COMMERCE) IN WASHINGTON CONCERNING PROPOSED SCREEN TIME GUIDELINES THAT THEY BELIEVE THE INDELIMITED OFFICIAL USE

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PENDENT BROADCASTING AUTHORITY (IBA) WILL PROBABLY IMPLEMENT BEFORE JUNE 30, 1978. ACCORDING TO VIACOM, CURRENT IBA GUIDELINES (INSTITUTED IN 1954) LIMIT FOREIGN PROGRAMS ON NON-GOVERNMENTAL TELEVISION TO 14 PERCENT OF SCREEN TIME. DOMESTIC PROGRAMS (INCLUDING THOSE FROM COMMONWEALTH NATIONS) ARE ALLOTED THE REMAINING 86 PERCENT. ACTUAL BREAKDOWN OF SCREEN TIME IS CURRENTLY US 14 PERCENT,

CANADA/AUSTRALIA 5 PERCENT, AND UK 81 PERCENT. VIACOM BELIEVES THAT THE IBA WILL SOON ISSUE NEW GUIDELINES REDUCING THE SCREEN TIME ALLOTED TO FOREIGN PROGRAMS FROM 14 PERCENT TO 12 PERCENT. VIACOM ALSO FEARS THAT THE IBA MAY REDEFINE DOMESTIC PROGRAMS TO EXCLUDE COMMONWEALTH FILMS FROM THAT CATEGORY. THE BBC, WHILE NOT SUBJECT TO IBA RULES ON FOREIGN SCREEN TIME, APPARENTLY FOLLOWS THE GUIDELINES INFORMALLY.

- 2. IF THE IBA IMPLEMENTS THE PROPOSED GUIDELINES THE RESULTS WOULD BE IN THE FIRST CASE (REDUCTION FROM 14 PERCENT TO 12 PERCENT), TO CUT US PERCENTAGE OF UK MARKET TO 12 PERCENT, AND IN THE SECOND (REDUCTION FROM 14 PERCENT TO 12 PERCENT PLUS EXCLUSION OF COMMONWEALTH NATIONS FROM THE DOMESTIC ALLOCATION), TO REDUCE US MARKET SHARE FROM 14 PERCENT TO PERHAPS AS LOW AS 7 PERCENT
- 3. VIACOM BELIEVES THAT THE IBA ITSELF IS RELATIVELY INDIFFERENT TO THE PROPOSAL TO REDUCE FOREIGN SCREEN TIME
 AND IS REACTING TO PRESSURE FROM THE UNIONS AND THE GOVERNMENT. THEY FEEL THAT THEY HAVE BEEN UNABLE TO GET A FAIR
 HEARING FROM THE IBA AND HAVE ASKED THAT WE ASSIST THEM TO
 PRESENT THEIR CASE. THEY FEAR, HOWEVER, THAT AN APPROACH
 TO THE IBA MAY BE COUNTERPRODUCTIVE AND HAVE SUGGESTED THAT
 AN INITIAL APPROACH TO THE HOME OFFICE MIGHT BE MORE
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USEFUL.

- 4. IN THE MULTILATERAL TRADE NEGOTIATIONS (MTN) CURRENTLY UNDERWAY IN GENEVA WE HAVE REQUESTED LIBERALIZATION OF UK SCREENTIME QUOTAS FOR BOTH MOVIEHOUSES AND TELEVISIONS. OUR RECORDS INDICATE THAT THE EC/UK HAS NOT YET RESPONDED TO THIS REQUEST.
- 5. FOR LONDON: REQUEST THAT THE EMBASSY INQUIRE INTO MATTER AT AN APPROPRIATE LEVEL AT THE HOME OFFICE AND AT THE MINISTRY OF TRADE. EMBASSY SHOULD ATTEMPT TO VERIFY FACTS OF CASE AS PROVIDED BY VIACOM AND IF FACTS ARE AS REPORTED MAY WISH TO USE FOLLOWING TALKING POINTS IN EXPRESSING OUR CONCERN.
- A. BRITISH SCREEN TIME ALLOCATION ARE ALREADY UNUSUALLY RESTRICTIVE. A REDUCTION WOULD PREJUDICE U.S. TRADE INTERESTS AND WOULD HAVE LITTLE OR NO IMPACT ON EMPLOYMENT IN THE UNITED KINGDOM.
- B. WE HAVE REQUESTED LIBERALIZATION OF BRITISH SCREEN TIME QUOTAS IN THE MTN. FURTHER RESTRICTIONS NOW WOULD

BE ILL-TIMED.

C. THE PROPOSED REDUCTION WOULD AGGRAVATE AN ALREADY BOTHERSOME TRADE RESTRICTION AND IS NOT IN THE SPIRIT OF THE BRITISH COMMITMENT IN THE MTN TO REDUCE TARIFF AND NON-TARIFF BARRIERS TO TRADE.

FYI: THE US DOES NOT MAINTAIN ANY SORT OF SIMILAR SCREEN TIME RESTRICTIONS.

6. FOR OECD PARIS: REDUCTION OF TELEVISION SCREEN
TIME QUOTAS MAY BE COVERED BY THE OECD CODE OF LIBERALIZATION OF CURRENT INVISIBLE OPERATIONS, OF WHICH THE
UNITED KINGDOM AND THE UNITED STATES ARE BOTH SIGNATORIES.
REQUEST THAT OECD MISSION MAKE INQUIRIES TO DETERMINE
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IF PROPOSED BRITISH REDUCTION OF TELEVISION SCREEN TIME ALLOCATIONS DO IN FACT VIOLATE BRITISH OBLIGATIONS UNDER THE INVISIBLE CODE AND IF SO WHAT REMEDIES ARE AVAILABLE TO US UNDER THE CODE.

7. FOR GENEVA: MTN DEL MAY WISH TO RAISE SCREEN TIME QUOTA ISSUE WITH EC OR UK DELS, SINCE THEY APPARENTLY STILL OWE US A RESPONSE TO OUR REQUEST ON THIS ITEM. VANCE

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